

## **Frequently Asked Questions About TRG**

### **1. What is TRG?**

The Kentucky Department of Insurance believes that TRG is an unauthorized insurer that is illegally marketing health insurance to individuals and employers throughout Kentucky, but primarily in Paducah, Mayfield and the Louisville area.

The current plan being marketed by TRG in Kentucky is called "VEBA". The marketing material claims that it is a self-funded plan under federal laws and is not subject to state regulation.

TRG does not hold a certificate of authority nor is it licensed to act as a third party administrator in Kentucky. TRG is also not registered with the U.S. Department of Labor.

### **2. What has happened to TRG?**

The Franklin Circuit Court has issued a restraining order against the following entities and individuals:

- ◆ TRG Administration, LLC
- ◆ TRG Marketing, LLC
- ◆ Paul Crouse
- ◆ Carmello Zanfei
- ◆ Win Coburn, Jr.

This restraining order forbids these individuals and entities from doing insurance business in Kentucky without being properly licensed.

### **3. What will happen to my coverage under TRG?**

TRG is not authorized health insurance coverage. Individuals or employers who have purchased the TRG product need to secure health insurance through an authorized insurer immediately to avoid additional liability for claims and lapses in coverage.

If you currently have a product through TRG, you will be personally responsible for your own medical bills.

In a complaint filed against TRG in Franklin Circuit Court, the Department of Insurance has requested that the court order TRG to make restitution to those individuals who have suffered a loss as a result of purchasing the TRG product.

### **4. What health insurance options are available to me?**

Attached is a listing of authorized health insurers offering health benefit plans. This information is also available on the Department's web site, [www.doi.state.ky.us/kentucky](http://www.doi.state.ky.us/kentucky) under the free publications -- Health.

**5. Will I be subject to exclusions for pre-existing conditions under a new health insurance policy?**

Coverage through TRG is not authorized health insurance and it is not creditable coverage that may be used to offset any pre-existing condition exclusion period in a subsequent health insurance policy.

If you were previously insured through an authorized insurer, that time may count as creditable coverage under a new health insurance policy if there has not been a lapse of more than 63 days between the termination of your previous policy and the effective date of your new authorized health insurance policy.

**6. Does TRG have sufficient funds to pay claims?**

TRG has failed to provide details of its finances and how it would meet its obligations for paying claims.

In a complaint filed against TRG in Franklin Circuit Court, the Department of Insurance has requested that TRG be ordered to make restitution to those individuals who have suffered a loss as a result of purchasing the TRG product.

**7. I have a TRG policy and I am currently in the hospital. Who will pay these medical bills?**

Because TRG is not an authorized health insurance policy, you will be personally responsible for your own medical bills.

**8. I am an insurance agent that sold coverage through TRG. Do I have any liability for selling this coverage?**

Under KRS 304.11-030(3)(b), in the event that an unauthorized insurer fails to pay any claim or loss within the provisions of the insurance contract, any person who assisted in procuring the coverage will be liable for the full amount of the claim.

**9. How did the Department of Insurance learn about TRG?**

Insurance agents provided information to the department about questionable marketing practices in which TRG began promoting plans to agents as a type of self-funded insurance plan that employers could offer to employees at greatly discounted premiums, with benefits resembling standard health insurance and a provider network.

**10. Are all self-funded plans unauthorized insurance?**

No. Federal law does recognize self-funded plans when they file and register with the U.S. Department of Labor. Some employers use these self-funded plans to provide health insurance to their employees. The employer is responsible for paying claims, even if they exceed the premiums collected. These registered plans that are bona-fide single employer self-funded plans or true Taft-Hartley Labor Union Trust plans are not subject to state regulation.

More information about how to identify illegal self-funded plans is available on the Department's Web site at [www.doi.state.ky.us](http://www.doi.state.ky.us).

**11. How can I guard against purchasing an unauthorized product?**

Be cautious. Insurance companies and agents must be licensed with the Department of Insurance to do business in Kentucky. A searchable listing is available on the department's web site of all licensed companies and agents.

Other warning signs may be:

- ◆ premiums that are significantly lower than other health insurance options
- ◆ statements that the product is not subject to state insurance laws

**12. Who can I call for more information?**

Please contact the department's consumer protection and education division at 1-800-595-6053, or by e-mail at [Sharon.Clark@mail.state.ky.us](mailto:Sharon.Clark@mail.state.ky.us).